

# EXHIBIT 4

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
 Washington, D. C. 20549  
**FORM 10-Q**

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2017

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 1-8968

**ANADARKO PETROLEUM CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware

76-0146568

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1201 Lake Robbins Drive, The Woodlands, Texas

77380-1046

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code **(832) 636-1000**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer    Accelerated filer    Non-accelerated filer    Smaller reporting company    Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the Company's common stock at April 19, 2017, is shown below:

Title of Class	Number of Shares Outstanding
Common Stock, par value \$0.10 per share	560,339,140

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**ANADARKO PETROLEUM CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**4. Impairments**

**Impairments of Long-Lived Assets** Impairments of long-lived assets are included in impairment expense in the Company's Consolidated Statements of Income. The following summarizes impairments of long-lived assets and the related post-impairment fair values by segment:

<i>millions</i>	<b>Three Months Ended</b>	
	<b>Impairment</b>	<b>Fair Value (1)</b>
<b>March 31, 2017</b>		
Oil and gas exploration and production		
Gulf of Mexico properties	\$ 204	\$ 231
Midstream	169	49
<b>Total</b>	<b>\$ 373</b>	<b>\$ 280</b>

(1) Measured as of the impairment date using the income approach and Level 3 inputs. The primary assumptions used to estimate undiscounted future net cash flows include anticipated future production, commodity prices, and capital and operating costs.

Impairments during the three months ended March 31, 2017, were primarily related to oil and gas properties in the Gulf of Mexico due to lower forecasted commodity prices and a U.S. onshore midstream property due to a reduced throughput fee as a result of a producer's bankruptcy.

**Impairments of Unproved Properties** Impairments of unproved properties are included in exploration expense in the Company's Consolidated Statements of Income. The Company recognized \$532 million of impairments of unproved Gulf of Mexico properties during the three months ended March 31, 2017, of which \$467 million related to the Shenandoah project. The unproved property balance related to the Shenandoah project originated from the purchase price allocated to Gulf of Mexico exploration projects from the acquisition of Kerr-McGee Corporation in 2006. For additional details on the Shenandoah project, see [Note 5—Suspended Exploratory Well Costs](#).

**Potential for Future Impairments**

**Oil price sensitivity** At March 31, 2017, the Company's estimate of undiscounted future cash flows attributable to certain asset groups, primarily related to international and offshore properties, with a combined net book value of approximately \$2.7 billion indicated that the carrying amounts were expected to be recovered; however, these asset groups may be at risk for impairment if the estimates of future cash flows decline. The Company estimates that a 10% decline in oil prices (with all other assumptions unchanged) could result in non-cash impairments in excess of \$1.0 billion.

**Natural-gas price sensitivity** At March 31, 2017, the Company's estimate of undiscounted future cash flows attributable to certain U.S. onshore asset groups with a combined net book value of approximately \$1.3 billion indicated that the carrying amounts were expected to be recovered; however, these asset groups may be at risk for impairment if the estimates of future cash flows decline. The Company estimates that a 10% decline in natural-gas prices (with all other assumptions unchanged) could result in non-cash impairments in excess of \$500 million.

It is also reasonably possible that significant declines in commodity prices, further changes to the Company's drilling plans in response to lower prices, reduction of proved and probable reserve estimates, or increases in drilling or operating costs could result in other additional impairments.

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**ANADARKO PETROLEUM CORPORATION**  
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**(Unaudited)**

**5. Suspended Exploratory Well Costs**

The Company's suspended exploratory well costs were \$1.1 billion at March 31, 2017, and \$1.2 billion at December 31, 2016. Projects with suspended exploratory well costs include wells that have sufficient reserves to justify completion as a producing well and sufficient progress is being made in assessing the reserves and the economic and operating viability of the project. If additional information becomes available that raises substantial doubt as to the economic or operational viability of any of these projects, the associated costs will be expensed at that time.

During the three months ended March 31, 2017, the Company expensed suspended exploratory well costs of \$435 million related to the Shenandoah project in the Gulf of Mexico, including \$267 million previously capitalized for a period greater than one year. The Shenandoah-6 appraisal well and subsequent sidetrack, which completed appraisal activities in April 2017, did not encounter the oil-water contact in the eastern portion of the field. Given the results of this well and the present commodity-price environment, the Company has currently suspended further appraisal activities. Accordingly, the Company determined that the Shenandoah project no longer satisfies the accounting requirements for the continued capitalization of the exploratory well costs.

**6. Current Liabilities**

**Accounts Payable** Accounts payable, trade included liabilities of \$290 million at March 31, 2017, and \$262 million at December 31, 2016, representing the amount by which checks issued but not presented to the Company's banks for collection exceeded balances in applicable bank accounts. Changes in these liabilities are classified as cash flows from financing activities.

**Other Current Liabilities** The following summarizes the Company's other current liabilities:

<i>millions</i>	<b>March 31, 2017</b>	December 31, 2016
Accrued income taxes	<b>\$ 671</b>	\$ 6
Interest payable	<b>161</b>	244
Production, property, and other taxes payable	<b>253</b>	239
Accrued employee benefits	<b>185</b>	355
Other	<b>213</b>	393
Total other current liabilities	<b>\$ 1,483</b>	\$ 1,237